

UPDATED INFORMATION

Medi-Cal Bulletin

September, 2003

DME, O & P and Clinical Laboratory Services Reimbursement Methodology Changed

Effective for dates of service on or after October 1, 2003, reimbursement methodology for Durable Medical Equipment (DME), Orthotic and Prosthetic (O & P) appliances and clinical laboratory services is changed, and with the September 2003 *Medi-Cal Update*, manual replacement pages were released that include reimbursement rate updates for these areas. These reimbursement rate updates comply with recent legislation (AB 1762, Chapter 230, Statutes of 2003), a bill that mandates the following specific reimbursement methodology for DME, O & P appliances and clinical laboratory services.

Durable Medical Equipment

Reimbursement for DME with a specified maximum rate, except wheelchairs and wheelchair accessories and DME supplies and accessories, shall be the lesser of:

- The amount billed, pursuant to Title 22, *California Code of Regulations*, Section 51008.1
- or
- An amount that does not exceed 80 percent of the lowest maximum allowance for California established by the federal Medicare program for the same or similar item or service

Reimbursement for wheelchairs and wheelchair accessories with a specified maximum rate shall be the lesser of:

- The amount billed, pursuant to Title 22, *California Code of Regulations*, Section 51008.1
- or
- An amount that does not exceed 100 percent of the lowest maximum allowance for California established by the federal Medicare program for the same or similar item or services

Reimbursement for miscellaneous DME supplies, accessories and/or service component(s) of another HCPCS code (for example, A9900) shall be the lesser of:

- The amount billed, pursuant to Title 22, *California Code of Regulations*, Section 51008.1
- or
- The acquisition cost plus a 23 percent markup

Orthotic and Prosthetic (O & P) Appliances and Clinical Laboratory Services

Reimbursement for O & P appliances and clinical laboratory services may not exceed 80 percent of the lowest maximum allowance for California established by the federal Medicare program for the same or similar service.